

Hudsonville Public Schools

3886 Van Buren • Hudsonville, MI 49426 • (616) 669-1740 • Fax: (616) 669-4878

House Appropriation Committee Meeting
Wednesday, November 28, 2012 at 9:00 AM

Re: Comments on SB 770, 771, 772, and 870

Dear Honorable Chairperson Moss, Vice Chair Haveman, and members of the Appropriation's Committee,

Thank you for the opportunity to provide comment on the SB 770, 771, 772 and 870.

First, let me say that it is an honor to be before you today to discuss proposed legislation that will have a significant impact on Michigan Public School Facilities. In order to begin our conversation, please allow me an opportunity to share Hudsonville Public Schools' story.

Hudsonville is a community located in Ottawa County approximately 15 minutes Southwest of Grand Rapids. Famous for Hudsonville Ice Cream and strong agricultural roots, the community of Hudsonville has evolved in a short amount of time. In 1986, Hudsonville Public Schools was a small rural school with a student population of approximately 2,300 students. At the time, our district operated six elementary buildings, one Junior High School and one 780-student High School.

Over the last 26 years, the population of Hudsonville has exploded. Hudsonville Public Schools has reaped the rewards of an expanding manufacturing base, service industry and housing start-ups. Our school district, over the past 26 years, has nearly tripled in size. Today, we have an enrollment of almost 6,200 students and operate seven elementary schools, two middle schools, one Freshman Campus, and one 1,600-student high school.

We are convinced that the addition of the three new buildings and additions to each of the existing buildings constructed over this time period would not have been possible without the support of the School Bond Loan Fund and the School Bond Revolving Fund. In 1994, Hudsonville Public Schools first entered the School Bond Loan Fund to help design and build one building with renovations to 4 others. In 2004, Hudsonville again called upon the SBLF to build one new facilities with renovations to three others. And most recently, this past May we utilized the School Bond Revolving Fund to approve the construction of three new school facilities with the renovation of several others.

If the School Bond Loan Fund or School Bond Revolving Fund was not in existence or was limited as is being discussed through this legislation, the citizens of Hudsonville Schools would have been asked to incur approximately \$3 million in additional taxes annually which would have raised the millage rate to 9.7 mils. We feel blessed to live in a community that has a long-standing history of supporting their public schools. However, we are not convinced that a proposal with an additional 2.7 mills would have been acceptable to our voters. Then the question becomes, where do the students go and what is our legal responsibility as a school district or as a state to provide adequate school facilities? Moreover, what about those districts that are located in communities where the support is not as vibrant?

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Unfortunately, inequities exist in school funding in the State both from a foundation grant amount for operations and taxable value for debt. Please allow me to share a very specific example of how two very similar communities can have significant inequities in the burden placed on taxpayers.

Grand Haven Public Schools is a neighboring school district in Ottawa County. From the outside observer, the distinction between the two districts is almost negligible. Each district serves approximately 6,200 students and has 7 elementary buildings, two middle schools, and two high school buildings. Even academically the average ACT score of a Hudsonville student is 21.5 and at Grand Haven 21.2. The major discrepancy exists in taxable value and thus the required support of the community to support high quality schools. Grand Haven's taxable value is \$2.18 billion where Hudsonville's is \$1.18 billion. This significant discrepancy is a direct reflection of the district's debt millage rate in each district. Grand Haven levies 3.46 mills while Hudsonville levies 7.0 mills (assisted in part by the School Bond Loan Fund). In part, the SBLF's intended purpose is to address this inequity and assist schools that are growing and not over-burdening their taxpayers.

We are respectfully requesting to not restrict the fund to such an extent that districts like Hudsonville that have been responsible in the use of the fund would no longer be able to access the fund. As an example, on April 18, 2011, we paid off our \$2,285,908.70 balance to the School Bond Loan Fund prior to requesting reentrance.

Honorable Representatives, I do not envy your task. You are charged with an awesome responsibility to balance a budget, provide necessary programing, and insure the State's constitution is being honored. Many have suggested that this proposed legislation to greatly limit, restrict and close off borrowing by capping the fund to \$1.5 billion might call into question a violation of the Michigan Constitution Article 9, Section 16, which requires the state to lend to districts if they exceed the minimum levy set forth in the SBLF. According to the Senate Fiscal Agency Issue Paper, authors Pratt, Mock, Zin, and Diehr believe it is constitutional, however, they also recognize that this legislation would most likely end all districts' ability to utilize the School Bond Loan Fund by October 2014 for the next 30 years. Without comprehensive reform to support school infrastructure needs, this would greatly impact many districts throughout the State, districts like Hudsonville.

It has been an honor to share with you Hudsonville's story. I appreciate your time, and thank you for your consideration. I would be happy to field any questions you may have.

Respectfully,

Nick Ceglarek
HPS Superintendent